

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1735-02  
Bill No.: HB 942  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department  
Type: Original  
Date: April 30, 2013

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Bill Summary: This proposal modifies provisions relating to virtual schools.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$166,024)	(\$193,439)	(\$197,306)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$166,024)</b>	<b>(\$193,439)</b>	<b>(\$197,306)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§167.360 - Remedial or credit recovery virtual courses**

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that, for each school district or charter school that provides a virtual program or course, this section requires the local school districts to proctor exams and course work to provide sufficient assurance that exams and course work are submitted and that the work submitted is the work of the student enrolled. Costs to local school districts cannot be estimated, but will be significant.

The impact to DESE will result in monitoring costs for Missouri Virtual Instruction Program (MoVIP - the state virtual school for Missouri) classes. DESE states they will require three FTE supervisors to physically monitor submission of written work and the taking of tests.

**Oversight** has, for fiscal note purposes, adjusted the starting salary to that of a similar position as shown on the DESE website.

Officials from the **Department of Higher Education, Kansas City Public School District, Missouri State University, University of Missouri System** (Charter School Sponsor), **Linn State Technical College**, and the **Kansas City Metropolitan Community College** each assume the proposal would not fiscally impact their respective agencies and institutions.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Costs</u> - Department of Elementary and Secondary Education (DESE) - Virtual course monitoring expenses (§167.360.2)			
Personal Services	(\$94,920)	(\$116,182)	(\$118,506)
Fringe Benefits	(\$48,167)	(\$58,957)	(\$60,136)
Equipment and Expense	(\$22,937)	(\$18,300)	(\$18,664)
Total Expenses - DESE	<u>(\$166,024)</u>	<u>(\$193,439)</u>	<u>(\$197,306)</u>
FTE Change - DESE	3 FTE	3 FTE	3 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$166,024)</u></b>	<b><u>(\$193,439)</u></b>	<b><u>(\$197,306)</u></b>
Estimated Net FTE Change for General Revenue	3 FTE	3 FTE	3 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2014 (10 Mo.)	 FY 2015	 FY 2016
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> - School Districts - Contract/monitoring expenses for virtual programs (§167.360.2)			
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

### §167.360 - Remedial or credit recovery virtual courses

This proposal allows remedial or credit recovery courses to be delivered through the state's virtual school or a district's or charter school's virtual program as long the course meets the appropriate requirements. Schools must monitor the submission of work on behalf of a student in the course to assure it is the work of the student, including provisions for proctoring. A school district that uses a contractor to provide virtual courses must ensure that the contractor meets these requirements.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Elementary and Secondary Education

Department of Higher Education

School Districts

Kansas City Public School District

Colleges and Universities

Kansas City Metropolitan Community College

Linn State Technical College

University of Missouri System

Missouri State University



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